

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**MARCH 20, 2001**

**IN RE:**

**SHOW CAUSE PROCEEDING  
AGAINST TALK.COM, INC.**

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**DOCKET NO.  
01-00216**

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**ORDER OPENING DOCKET TO INITIATE  
SHOW CAUSE PROCEEDING AGAINST TALK.COM, INC.**

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This matter came before the Tennessee Regulatory Authority ("Authority") on its own motion at a regularly scheduled Authority Conference held on March 6, 2001 for consideration of whether to open a docket for the purpose of investigating complaints against Talk.com, Inc. and initiating a show cause proceeding for alleged violations of Tenn. Code Ann. §§ 65-4-125, 65-4-404 and Tenn. Rules & Regs. 1220-4-2-.56 and 1220-4-11-.07.

**Background**

From December 1, 2000 through February 23, 2001, the Authority has received, through its Consumer Services Division, one hundred and nineteen (119) consumer complaints against Talk.com, Inc. or its affiliated companies. Most of these complaints allege that Talk.com changed the consumer's local and/or long distance service without proper authorization. Tenn. Code Ann. § 65-4-125(a) and Tenn. Rules & Regs. 1220-4-2-.56 prohibit the changing of a consumer's local or long distance service without the consumer's permission.

The Authority, through its Consumer Services Division, has also received complaints that Talk.com made or caused to be made telephone solicitations to residential subscribers

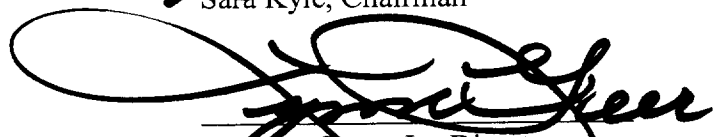
who gave notice to the Authority of their objection to receiving telephone solicitations. Tenn. Code Ann. § 65-4-404 and Tenn. Rules & Regs. 1220-4-11-.07 prohibit persons or entities from making or causing to be made any telephone solicitation to any residential subscriber who gave proper notice to the Authority of their objection to receiving telephone solicitations.

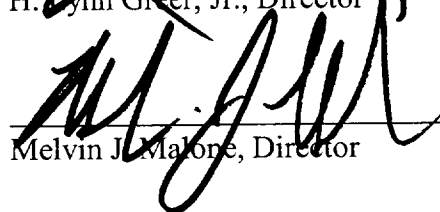
At the March 6, 2001 Conference, the Directors, acting pursuant to Tenn. Code Ann. §§ 65-2-106 and 65-4-125(e), voted unanimously to open a docket for the purpose of further investigation and the initiation of show cause proceedings against Talk.com, Inc. for failure to comply with Tenn. Code Ann. §§ 65-4-125, 65-4-404 and Tenn. Rules & Regs. 1220-4-2-.56 and 1220-4-11-.07. Further, the Authority appointed General Counsel or his designee as Pre-Hearing Officer for the purpose of handling preliminary matters to prepare this case for a hearing.

**IT IS THEREFORE ORDERED THAT:**


1. A docket be opened for the purpose of further action including the initiation of a show cause proceeding, pursuant to Tenn. Code Ann. § 65-2-106, against Talk.com, Inc.; and
2. General Counsel or his designee be appointed as Pre-Hearing Officer for the purpose of handling preliminary matters to prepare this case for a hearing.

  
Sara Kyle, Chairman

  
H. Lynn Greer, Jr., Director

  
Melvin J. Malone, Director

ATTEST:

  
K. David Waddell, Executive Secretary